

**DEPARTMENT OF GENERAL SERVICES**  
**OFFICE OF PUBLIC SCHOOL CONSTRUCTION**  
501 J STREET, SUITE 400



June 6, 1996

To: All School District Superintendents and County Superintendents of Schools

Subject: **ADVISORY OF ACTIONS TAKEN BY THE STATE ALLOCATION BOARD**

On May 29, 1996 the State Allocation Board (SAB) apportioned certain projects that were included on the May 1, 1996, "unfunded" list and addressed several issues that relate to the distribution of the Proposition 203 funds and ultimate release of funds. Specific actions taken by the SAB are as follows:

Apportionment of Projects on the May 1, 1996 "unfunded" list

The May 1, 1996, "unfunded" list included new construction and modernization projects in hardship, priority one and two categories in the amount of approximately \$1.360 billion. The actual apportionments made at the SAB meeting on May 29, 1996, were slightly different as a result of projects losing Year Round Enrollment (YRE) status, projects being rescinded and the addition of projects as a result of previous SAB actions. A list of the projects that lost YRE certification and were included on the May 1, 1996, "unfunded" list will be presented to the SAB at its meeting scheduled for June 26, 1996, for consideration of an apportionment for the appropriate phase requested. Those districts which had projects apportioned at the May 29th meeting will be notified by the Office of Public School Construction (OPSC) of the specific action taken. Information regarding specific apportionments made for each district may also be obtained on the Internet on the OPSC's Web Page at: <http://www.dgs.ca.gov/opsc/funded.htm>. Additionally, districts are advised to review the recommendations included on the agenda item that relate to the apportionment of funds and bidding instructions.

Phase "zero" Approvals on the May 29, 1996 Consent Calendar

Please note that the SAB did not approve any "zero" apportionment requests that were included on the consent calendar. Districts that requested a Phase C "zero" on the May 29th agenda are advised that commitment for construction expenditures for those projects may not meet the current SAB reimbursement policy. The OPSC is keeping track of these projects for possible consideration by the SAB at a later date.

Priority Adjustments

The SAB addressed those projects included on the "unfunded" list dated May 1, 1996, that were classified in funding priorities three through eight. A policy was developed which allows districts to enhance those project's funding priority to either one or two if the appropriate documentation needed to justify the conversion is received by the OPSC no later than August 1, 1996. Specific actions taken are as follows:

- a. Projects in priorities three, five and seven may only move to priority one.
- b. Projects in priorities four, six and eight may move to either priority one or two.

Please note that the SAB did not make a commitment to fund those projects that *qualify for conversion*; however, the SAB indicated it would consider funding these projects at a later SAB

meeting. It is anticipated that consideration for funding of these projects will be addressed by the SAB at the meeting

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scheduled for September 25, 1996. Districts must submit to the OPSC the appropriate documentation necessary to convert those projects to a higher priority by the August 1st date. All requests for conversion should be addressed to the attention of Richard Gonzalez at the OPSC. His telephone number is (916) 322-1234 or may be contacted by E-mail on the Internet at: rgonzale@dgs.ca.gov.

The SAB will allow any district that believes its project's funding priority was *misclassified* on the May 1, 1996, "unfunded" list to submit supporting documentation for reclassification. All requests for reclassification must be received by the OPSC (attention Richard Gonzalez) no later than August 1, 1996. It is anticipated that all requests for reclassification will be addressed by the SAB on a case-by-case basis at the SAB meeting scheduled for September 25, 1996.

The SAB directed the OPSC to discontinue the processing of all other projects with designated priorities of three through eight. Therefore, any project that has a Phase P zero approval in priorities three through eight that was not included on the May 1, 1996, "unfunded" list for a Phase C *will not be processed for a future Phase C approval*. Additionally, all new applications and amended applications for any projects with designated funding priorities of three through eight will not be processed and will be returned to the district.

Consideration will be given to projects that were not included on the May 1, 1996, "unfunded" list due to late submittal of documentation by the district or because of the OPSC workload priorities. Any district that believes its project(s) were not included on the May 1, 1996, "unfunded" list due to the OPSC workload priorities may appeal and request a date change in accordance with the SAB "date change" policy. Since that policy requires the project have a date on an "unfunded" list, an appeal for a date change cannot be made until the project is approved for a "zero".

#### Construction Time Limits

Action was taken by the SAB to extend the time limitation on the construction apportionment to one year and provided that *no* extensions beyond one year would be considered. Therefore, the district has 365 days, or until May 29, 1997, to commence construction on the site. Commencement of construction is deemed to be the date the "Notice to Proceed" is issued. If the project has not yet started construction and the 365 day time limit expires, the project will automatically be scheduled (as a consent item) for rescission of the Phase C apportionment at the next regularly scheduled SAB meeting.

Approval was given to me, as the Executive Officer of the SAB, to administratively approve those construction bids that do not require additional funding by the SAB. This process will allow districts to enter into construction contracts quickly without waiting for formal approval of its construction bids at a regular SAB meeting. Any administrative bid approvals made will be included in the consent calendar at the next available SAB meeting for necessary budget revisions.

#### Distribution of the Remaining Proposition 203 Funds

As a result of the need to address those projects in lower funding priorities that were included on the May 1, 1996, "unfunded" list, the SAB took no action to allocate any of the remaining Proposition 203 funds with the exception of \$26.6 million of Air Conditioning projects that were eligible for funding as of May 1, 1996. These projects will be presented for actual apportionment as a consent item at the SAB meeting scheduled for June 26, 1996. The SAB directed the OPSC to develop discussion items

regarding funding for Educational Technology for Modernization Projects and Public Utility Commission funds, Asbestos Abatement in Modernization Projects, Seismic Retrofit projects and State Relocatables. These items will be presented for discussion by the SAB at its meeting scheduled for June 26, 1996.

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The SAB agreed to discuss a modification of the SAB reimbursement policy for priority one projects (with a previous Phase P approval) that did not receive a construction apportionment or a Phase C zero approval on May 29, 1996, that now have Division of State Architect approved plans. This issue will also be discussed at the SAB meeting scheduled for June 26, 1996.

#### Minority/Women Business Enterprise (M/WBE) Regulations

The SAB held a public hearing on the repeal of the M/WBE regulations. No negative comments were made nor were any submitted in writing. The SAB directed the OPSC to complete the rulemaking file and submit it to the Office of Administrative Law to make the emergency repeal of the regulations permanent.

#### Supplemental Apportionment for Administrative Expenses

Finally, the SAB took action to increase the supplemental apportionment allowed for administrative expense for small school districts with 2,500 average daily attendance or less. The amount was increased to \$6,419 for new construction projects and to \$1,544 for modernization projects with an *initial* approval date on or after January 24, 1996. Qualifying projects that were initially approved prior to this date are eligible for a lesser amount as previously approved by the SAB. You may contact your project manager for the appropriate amount allowed. Please note that any administrative cost requested to be included as an eligible project cost must be declared prior to SAB bid approval.

Again, I would like to advise you that the OPSC is focused on the distribution of the Proposition 203 funds. To date, over 90% of the districts that received a Phase P or S apportionment on May 29, 1996, have been contacted regarding the necessary documents needed to release the site and planning funds. It is anticipated that approximately \$30 million will be released to the districts in the next several weeks. The remaining site and planning funds will be released upon submittal of the required documents requested by the OPSC staff. After districts receive bids for those projects that were granted a construction apportionment, districts are advised to submit the necessary bid documents to the OPSC as soon as possible in order that the bid may be approved and construction funds released to the district.

For your convenience, copies of the approved agenda items regarding the issues noted above are enclosed. Should you have questions regarding the contents of this letter, please direct your calls to your project manager.

Sincerely,

OSCAR WRIGHT  
Executive Officer

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Attachments